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DEPARTMENT OF STATE

Memorandum of Conversation

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Tab 1 ME 237

SUBJECT: Functions of the PSB

PARTICIPANTS: Mr. Tracy Barnes, Deputy Director, PSB
Mr. Edmund Taylor, PSB
Mr. John Sherman, PSB
Mr. Philip Watts, S/P
Mr. John H. Ferguson, S/P

COPIES TO: G - Mr. Matthews
C - Mr. Bohlen
P - Mr. Sargeant
S/P - Mr. Marshall

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Mr. Barnes asked Mr. Watts and me to have lunch with him and two of his colleagues from the PSB. I mentioned that I had just read a paper on the Middle East, prepared by Mr. Taylor, which proposed approval of PSB planning for the Middle East area over the next ten years. I said that I was somewhat unclear as to the type of planning that was contemplated, and asked Mr. Taylor whether he had in mind the preparation of a plan that would deal with the psychological aspects of the problems that confront us in that area in carrying out the objectives agreed upon by the NSC or whether he contemplated a plan that would attempt to project the whole range of economic and political policies and programs we should undertake in the area. I said I was not too clear about the scope of the proposal.

Mr. Barnes and Mr. Taylor said that they were not sure what was meant by the word psychological; that the problem had to be looked at in a broad way and the psychological aspect could not be isolated.

I told them that the title of the PSB itself suggested that there were particular psychological problems that required attention, and to illustrate my understanding of the term I distinguished between the policy of undertaking an aid program in the Middle East and, within such a program, deciding to carry out aid projects designed to elicit the desired response of some particular group.

Mr. Barnes

Mr. Barnes said that it seemed to him that if the PSB tried to work out projects calculated to secure the support of all the different groups in the Middle East, the net result would be a consideration of the whole, broad question of an aid program and he could not understand the distinction. He referred to the fact the State Department and Defense, as well as Mr. Harriman, all had to consider the question of foreign aid and decide what to do, and the PSB was a mechanism through which they could make the decision.

When I said that a great many considerations entered into the decision as to the size of the program, the desirability of military or economic aid, etc., and that I did not see how the whole problem could be properly considered to be within the scope of the PSB, Mr. Barnes said that the various agencies were represented and he thought the high officials on the Board should be able to express the views of their agencies and vote on the questions presented in a way that would stick.

I told him that many parts of the Department were involved in such a subject as the foreign aid program and that the interdepartmental panels of the PSB did not seem to me to provide a practicable way of preparing positions on all of the matters involved. I said that there were a great variety of interdepartmental relationships through which general policies and programs of the Government were arrived at and I assumed he did not think of the PSB as superseding all of these other relationships.

Mr. Barnes admitted that many decisions, involving several agencies, were made about which the PSB knows nothing, but he said he did not see why general policy decisions could not be made by the PSB if the members desired. He emphasiz the fact that the Board was not the Staff, but high represe tives of several agencies and these officials should be abl to speak with authority for their agencies.

I said that I had assumed that the NSC was the agency through which the general policy decisions of the Government were most frequently made, and I asked Mr. Barnes to tell me how he viewed the respective roles of the NSC and the PSB. He said that it was difficult for him to see what the

differences

differences were and suggested that the PSB had a role as wide as that of the NSC. When I remarked that I did not believe the members of the PSB would want to use the mechanism for many of the decisions that came before the NSC, but instead would want to consider the psychological warfare aspects of various policies and programs, Mr. Barnes replied that it would be a waste of time for the members of the PSB to make decisions on the psychological desirability of a policy or program if such decisions were not binding on their respective agencies. I said that there were bound to be many other considerations to be taken into account, and I had thought the way the PSB could be most helpful was to take, for example, a particular objective set forth in an NSC paper and do some good, hard work on the best means of achieving that objective in psychological terms. In this way I felt the light that was needed in these matters could be intensified. Mr. Barnes felt that the PSB had been directed to broaden rather than narrow the focus.

Mr. Taylor referred to the draft NSC paper on the Arab States, Israel and Iran and said that paper was full of psychological implications. I said that we had to consider the psychological impact of nearly everything we did in the State Department. Mr. Taylor replied that the PSB had to deal with national policy in everything it did.

Mr. Barnes said that he thought the question of the scope of the Board's work ought to be thrashed out by putting up to the Board proposals to undertake various jobs. It was his feeling that the members of the Board could then decide what the Board should do. He referred back to the Middle East paper prepared by Mr. Taylor and said he thought the Board should decide whether to adopt the recommendations contained in it. When I suggested that it would be difficult for the Board to know exactly what it was deciding in this case, since the paper seemed unclear, Mr. Taylor said perhaps the Board should merely direct that draft terms of reference for the preparation of a ten-year plan for the Middle East be drawn up. In this way, Mr. Taylor felt the question could be made specific. I said this seemed to me to be quite a good idea.

Mr. Barnes

Mr. Barnes made some further general remarks at the end of lunch which indicated that he saw no reason why the PSB should not be used as the mechanism for making any governmental decision relating to foreign policy, and he thought this idea ought to be fought out in the Board on the basis of proposals for work presented to it for approval.

(I might add that Messrs. Barnes, Taylor and Sherman are old friends of mine and the conversation was a good deal less formal than these notes suggest.)

S/P:JHFerguson:AVH

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